

THE UNIVERSITY OF KANSAS
Kansas Center for Community Economic Development
Policy Research Institute
TECHNICAL REPORT SERIES

Economic Trends Update: Douglas County

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January 2002

Report No. 58

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Foreword

The Kansas Center for Community Economic Development (KCCED) is a joint center of the Policy Research Institute at the University of Kansas and the Kansas Center for Rural Initiatives at Kansas State University. Its purpose is to enhance economic development efforts by bringing university expertise to rural Kansas.

KCCED is funded by a grant from the Economic Development Administration of the U.S. Department of Commerce. The statements, findings, and conclusions of this report are those of the authors and do not necessarily reflect the views of the U.S. Government, the University of Kansas, or any other individual or organization.

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Economic Trends Update: Douglas County

Introduction

The following report is an annual update of the 1992 review of economic and demographic trends for Douglas County and the City of Lawrence, conducted by the Policy Research Institute (PRI) at the University of Kansas. This review was part of the strategic planning process for the county called Horizon 2020. The original 181-page report contained data on: global, regional and national trends, population, housing, education, employment, earnings and income, geographic location and infrastructure, business environment, financial capital, innovation and technology, and quality of life.¹

The Lawrence-Douglas County area is a community with a growing population, high quality work force, and modern economic base enhanced by the presence of three universities. Its development in recent years has been shaped by two significant forces. First, with three universities, it is a major center for higher education: much of its development has been influenced by its large student population. Second, Douglas County is located between two metropolitan areas and has captured some of the spill-over benefits from this location.

This year's report includes an update of selected variables from the 1992 study as well as some additional variables. This report looks at variables categorized under the following areas:

- population,
- employment,
- earnings and income,
- retail trade, and
- education.

Throughout the report, Douglas County's performance is compared with the performance of the State of Kansas, Comparative Counties² and Surrounding Counties.³ It is by no means a comprehensive analysis of economic trends facing Douglas County but rather an overview of some key economic and demographic variables.

¹ *Horizon 2020 Data Analysis*, Kansas Center for Community Economic Development, Institute for Public Policy and Business Research, University of Kansas, Technical Report Number 12, August 1992.

² "Comparative Counties" are Boone County, Missouri (University of Missouri, Columbia); Johnson County, Iowa (University of Iowa, Iowa City); Larimer County, Colorado (Colorado State University, Fort Collins); and Champaign County, Illinois (University of Illinois, Urbana-Champaign).

³ "Surrounding Counties" used for comparison in this report are Johnson, Shawnee, and Wyandotte counties. "Selected Counties" include both the Comparative and the Surrounding Counties.

POPULATION

In every community population size and economic activity are closely related. The size of population is directly related to employment opportunities within the area, wage differentials between regions, and a community's overall economic and social conditions. Growing communities are more likely to adapt successfully to a changing economic environment than areas with constant or decreasing population. New residents in a community mean additional consumers, taxpayers, and suppliers of labor. Without population growth, communities face problems of a tightening labor market, lack of new customers for businesses, a shrinking tax base, and an overall decline in economic activity. Generally, areas of population growth are also areas of economic growth, whereas areas of population loss suffered previous economic decline and restructuring.

Characteristics of the region's population are regarded as indicators of economic conditions and economic potential of this region. Past and projected population changes indicate economic trends in the community and can be compared to other counties, as well as the statewide and national averages.

Another characteristic of the economic potential of the region is migration of the population. Migration is linked to job opportunities and demand as well as wage differentials between regions. Counties with low rates of job creation and low wages will face higher worker mobility due to the lack of opportunity, or a "pull" phenomenon by urban areas with higher wages, better job opportunities, and a perceived better quality of life. Age and education also determine regional migration. Generally, the population aged 18 to 45 is the most mobile age group. The effect of education on migration is reflected by the movement of well-educated workers toward better job matches for themselves and their spouses and their attempts to raise their income levels by migrating to areas with employment opportunities.

The following section consists of population tables, figures, and maps, which together illustrate population totals, population growth rates, population by age groups, percent net migration, and population rankings.

Population: Key Findings

- The population of Douglas County has increased rather steadily for nearly 100 years. The 2000 Decennial Census showed Douglas County to be a mere 38 citizens away from the 100,000 population mark. Since 1940 Douglas County's population has increased much more rapidly than the state or nation's average rate. (Table 1 and 2, Figure 1b)
- Population in Douglas County rose 22 percent in the last decade. This compares to a 27 percent growth rate in Johnson County, 5 percent in Shawnee, and a 2.6 percent decrease in Wyandotte. For the past 20 years Douglas County has been the

third fastest growing county in Kansas in terms of population. (Table 2 and Figure 1a)

- Compared to other college towns in the Midwest, Douglas County's population growth has matched all but Larimer, Colorado's, whose population from 1990 to 2000 increased 35 percent. This compares to 22 percent in Douglas County, 20.5 percent in Columbia, Missouri, 15.5 percent in Iowa City, Iowa, and 3.8 percent in Champaign, Illinois. (Table 2 and Figure 1)
- The largest age group segment in Douglas County in 2000 was made up of people in the 25-44 year-old range, though this amount was down slightly since 1990 (30.7 percent compared to 28.3 in 2000). The percentage of college-aged people was also down somewhat in 2000. Nevertheless, Table 3 shows the actual number of 18 to 24 year-olds rose by over 3,000 people. Their percentage of the total has decreased because of the numerical increase in the other age demographics, but given the presence of three universities in Douglas County, it is unlikely that the preponderance of college-aged residents will ever change drastically. Nevertheless, the age-makeup of the county has seen some alterations in the last decade. The number of people aged 45-64 has increased from 13 percent in 1990 to 17 percent in 2000. This likely reflects two effects: the aging baby-boomer demographic, of which many of Douglas County's workers belong, and the influx of affluent, middle-aged employees which have chosen to live in Lawrence and commute to either Kansas City or Topeka. (Table 3 and 3a, Figure 2)
- Census race data from 2000 can not be directly compared to data from previous years, due to a change in reporting which now allows people to select more than one race. In 2000, 2,725 people in Douglas County indicated they belonged to more than one race. Therefore, the 2000 Census data figures for individual races would probably be slightly higher if the old categorization had been used. Nevertheless, the new data is still useful for indicating trends. (Tables 4 and 4a)
- The population of Douglas County has become slightly more racially diverse over time. Although whites still make up the vast majority of the population (86 percent in 2000), the percentage of the total occupied by whites has been decreasing (compare to 89 percent in 1980). All of the other racial groups have seen numerical increases in the last few decades. The group which has seen the most growth is the 'Others' group, which includes Native Americans and Asians. In 1980 this group comprised 4 percent of the Douglas County population whereas in 2000 the percentage had risen to nearly 7 (and would likely be higher still had the old Census classifications been used in 2000). (Tables 4 and 4a)
- Each decade since the 1960's Douglas County's net migration has been positive. Net migration is calculated as the change in population less the difference between births and deaths. A positive net migration indicates that more people have moved into the county than have moved out. Between 1990 and 1999 Douglas County's net migration stood at 10,960, a figure representing 13 percent of total 1990 population.

This compares to a net migration for the state of only 1.8 percent for the same time period. This was also the first time in four decades that the state of Kansas had a positive net migration. In terms of ranking, Douglas County's net migration growth was fourth in the state from 1990 to 1999. (Table 5 and Map 3)

- Douglas County moved from being the 16th most populated county in Kansas in 1940 to being 5th in 1980 and on. The four counties with more population than Douglas County in 2000 were Sedgwick, Johnson, Shawnee and Wyandotte. (Table 6)
- In 1990 and again in 2000 the ten-year population growth rate in Douglas County was the third highest in the state. In both cases Douglas stood behind Johnson and Finney counties. (Map 1 and 2)

Table 1
Population Totals, Growth Rates, Rank & Share
Douglas County and Kansas

<u>Year</u>	<u>Douglas County</u>		<u>Kansas</u>		<u>Douglas County Rank in State</u>	<u>Share (%)</u>
	<u>Population Total</u>	<u>Growth Rate</u>	<u>Population Total</u>	<u>Growth Rate</u>		
1890	23,961		1,428,108		15	1.7
1900	25,096	4.7	1,470,495	3.0	13	1.7
1910	24,724	-1.5	1,690,949	15.0	15	1.5
1920	23,998	-2.9	1,769,257	4.6	17	1.4
1930	25,143	4.8	1,880,999	6.3	17	1.3
1940	25,171	0.1	1,801,028	-4.3	16	1.4
1950	34,086	35.4	1,905,299	5.8	10	1.8
1960	43,720	28.3	2,178,611	14.3	9	2.0
1970	57,932	32.5	2,249,071	3.2	6	2.6
1980	67,640	16.8	2,364,236	5.1	5	2.9
1990	81,798	20.9	2,477,588	4.8	5	3.3
1991*	83,131	1.6	2,495,209	0.7	5	3.3
1992*	83,883	0.9	2,526,042	1.2	5	3.3
1993*	85,906	2.4	2,547,605	0.9	5	3.4
1994*	87,109	1.4	2,569,118	0.8	5	3.4
1995*	88,275	1.3	2,586,942	0.7	5	3.4
1996*	89,708	1.6	2,598,266	0.4	5	3.5
1997*	91,107	1.6	2,616,339	0.7	5	3.5
1998*	93,137	2.2	2,638,667	0.9	5	3.5
1999*	98,343	5.6	2,654,052	0.6	5	3.7
2000	99,962	1.6	2,688,418	1.3	5	3.7

* Estimates

Source: U.S. Bureau of the Census.

Table 2
Population Growth Rates
Douglas County, Selected Counties, Kansas, and United States
1970-2000

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2000</u>
Douglas	16.8	20.9	22.2
Johnson	22.8	31.4	27.1
Shawnee	-0.3	3.9	5.5
Wyandotte	-7.8	-6.0	-2.6
Boone, MO	24.0	12.0	20.5
Johnson, IA	13.3	17.6	15.5
Larimer, CO	65.9	24.8	35.1
Champaign, IL	3.1	2.8	3.8
Kansas	5.1	4.8	8.5
United States	11.4	9.8	8.7

Source: U.S. Bureau of the Census, "1980 Census of Population," PC90-1-A; "1990 Decennial Census"; "2000 Decennial Census." Calculations: PRI.

Figure 1
Rates of Population Change
Douglas and Comparative Counties
1970-2000

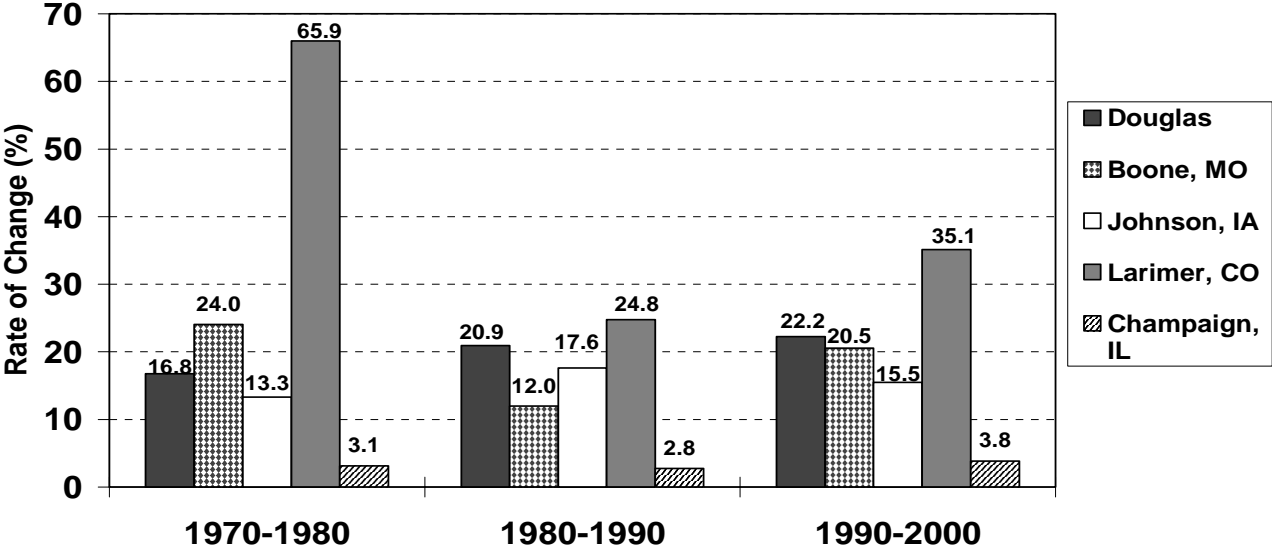


Figure 1a
Rates of Population Change
Douglas and Surrounding Counties
1970-2000

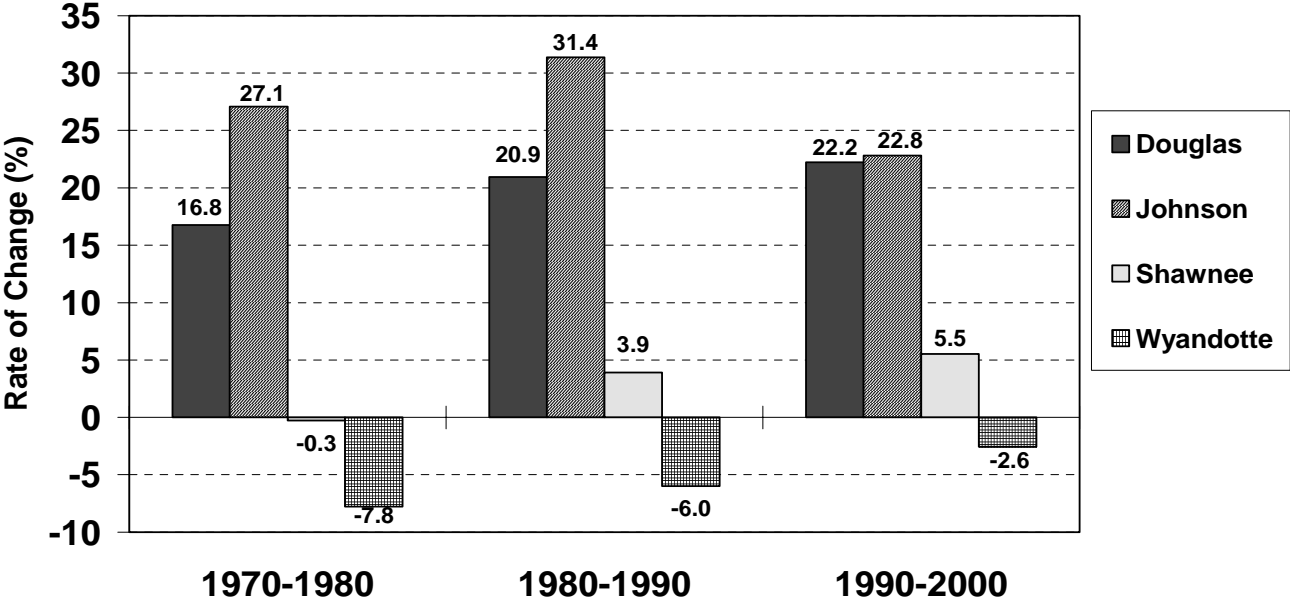


Figure 1b
Rates of Population Change
Douglas County, Kansas, and U.S.
1970-2000

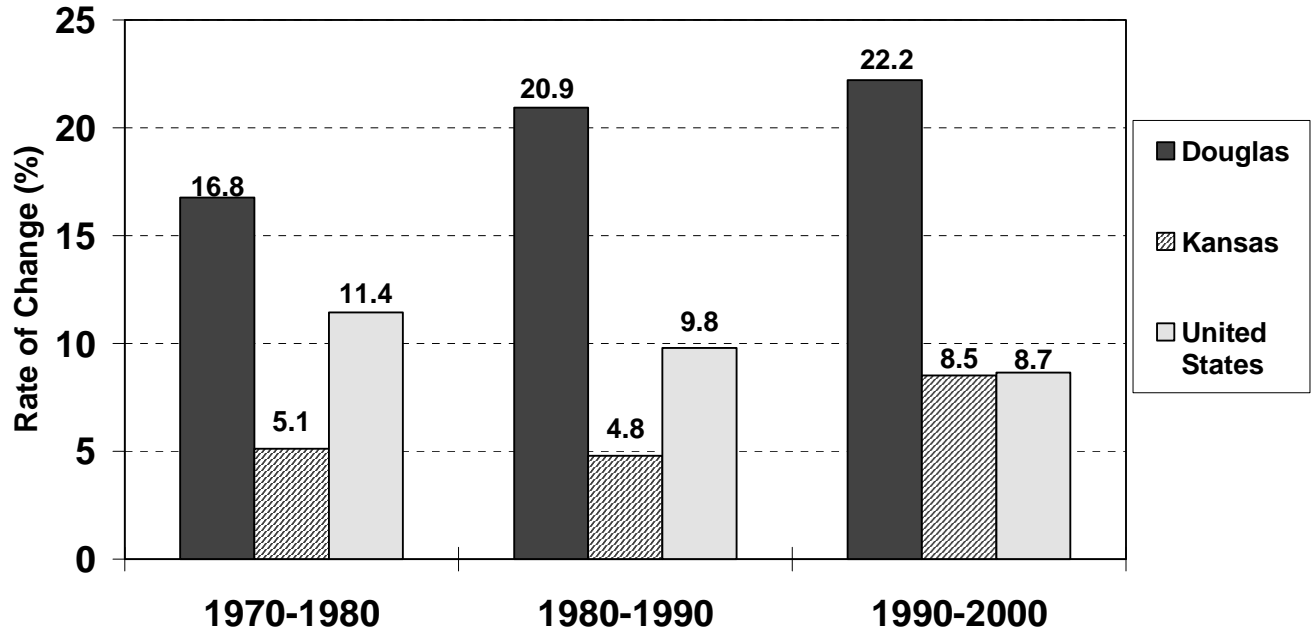


Table 3
Population by Selected Age Groups
Douglas County and Kansas
1990-2000

	Age:	<u>0-4</u>	<u>5-17</u>	<u>18-24</u>	<u>25-44</u>	<u>45-64</u>	<u>65 and over</u>
Douglas	1990	5,209	11,615	23,045	25,138	10,533	6,657
	2000	5,568	14,833	26,420	28,292	16,912	7,937
Kansas	1990	189,988	472,267	255,195	776,430	443,877	342,863
	2000	188,708	524,285	275,592	769,204	574,400	356,229

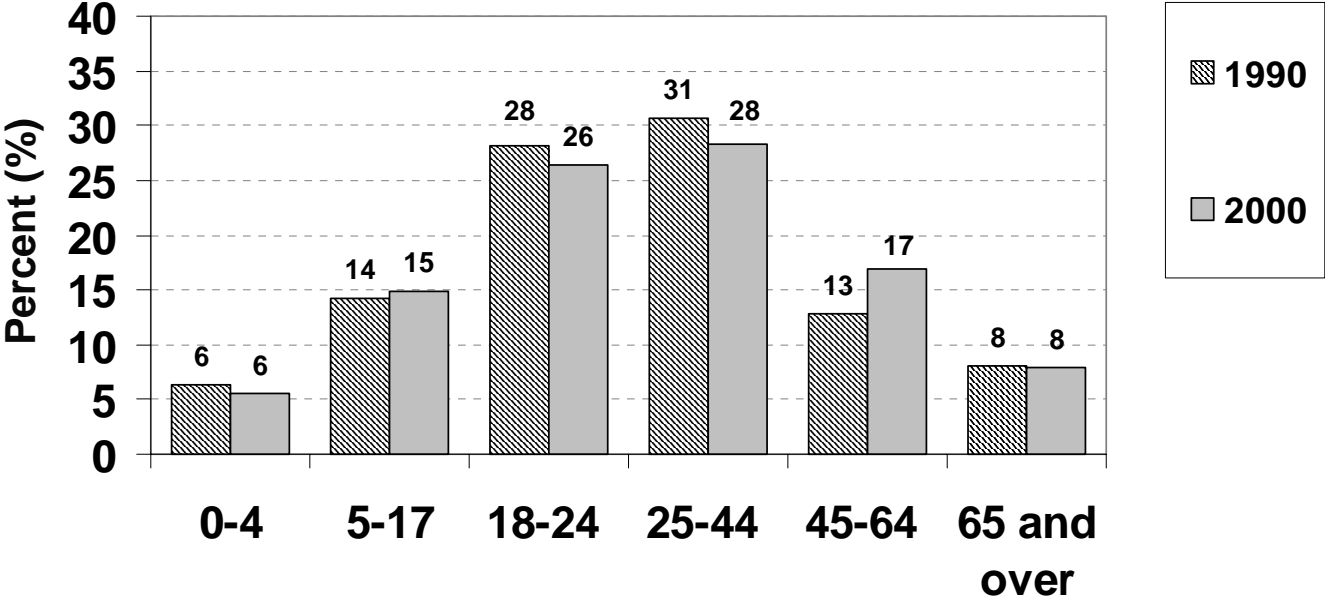
Source: U.S. Bureau of the Census

Table 3a
Population by Selected Age Groups as Percent of Total
Douglas County and Kansas
1990-2000

	Age:	<u>0-4</u>	<u>5-17</u>	<u>18-24</u>	<u>25-44</u>	<u>45-64</u>	<u>65 and over</u>
Douglas	1990	6.4 %	14.2 %	28.2 %	30.7 %	12.9 %	8.1 %
	2000	5.6	14.8	26.4	28.3	16.9	7.9
Kansas	1990	7.7	19.1	10.3	31.3	17.9	13.8
	2000	7.0	19.5	10.3	28.6	21.4	13.3

Source: U.S. Bureau of the Census

Figure 2
Population by Age Group as Percent of Total Population
Douglas County
1990-2000



**Table 4
Population by Hispanic Origin
Douglas County and Kansas
1980-2000**

	Year	Total	White		Total Black	Total Hispanic	Others	2 or More Races
			Total	Hispanic				
Douglas	1980	67,820	60,422	n/a	n/a	3,065	1,548	2,785
	1990	83,089	72,885	1,027	71,858	3,324	2,138	4,742
	2000 *	99,962	86,060	1,517	84,543	4,238	3,268	6,939
Kansas	1980	2,364,236	2,168,221	n/a	n/a	126,127	63,339	69,331
	1990	2,477,588	2,233,897	40,016	2,193,881	143,076	93,670	102,512
	2000 *	2,688,418	2,313,944	79,947	2,233,997	154,198	188,252	163,780

* 2000 race data is not comparable to previous years due to changes in reporting. See text for more.

Source: U.S. Bureau of the Census

**Table 4a
Population by Hispanic Origin as Percent of Total
Douglas County and Kansas
1980-2000**

	Year	White		Total Black	Total Hispanic	Others	2 or More Races
		Total	Hispanic				
Douglas	1980	89.1%	n/a	n/a	4.5%	2.3%	4.1%
	1990	87.7	1.2	86.5	4.0	2.6	5.7
	2000 *	86.1	1.5	84.6	4.2	3.3	6.9
Kansas	1980	91.7%	n/a	n/a	5.3%	2.7%	2.9%
	1990	90.2	1.6	88.5	5.8	3.8	4.1
	2000 *	86.1	3.0	83.1	5.7	7.0	6.1

* 2000 race data is not comparable to previous years due to changes in reporting. See text for more.

Source: U.S. Bureau of the Census

**Table 5
Net Migration
1970-1999**

<u>Douglas County</u>							
<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>
1970*	57,932	14,212	n/a	n/a	5,134	9,078	20.8
1980*	67,640	9,708	n/a	n/a	4,617	5,091	8.8
1990*	81,798	14,158	10,049	3,908	6,141	8,017	11.9
1999**	98,343	16,545	9,909	4,324	5,585	10,960	13.4

<u>Kansas</u>							
<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>
1970*	2,249,071	70,460	409,189	219,067	190,122	-119,662	-5.5
1980*	2,364,236	115,165	355,861	218,713	137,148	-21,983	-1.0
1990*	2,477,588	113,352	397,215	220,466	176,749	-63,397	-2.7
1999**	2,654,052	176,464	348,226	215,686	132,540	43,924	1.8

n/a: not available
* Decade ending
** Population estimate
*** Net migration = Population change - (births-deaths)

Source: Population Totals: U.S. Bureau of the Census, "Census of Population, 1970: Number of Inhabitants; 1980 Census of Population," Vol.1, Chapter A, Part 18; "1990 Census of Population and Housing;" Population Estimates U.S. Bureau of the Census. Calculations: PRI.

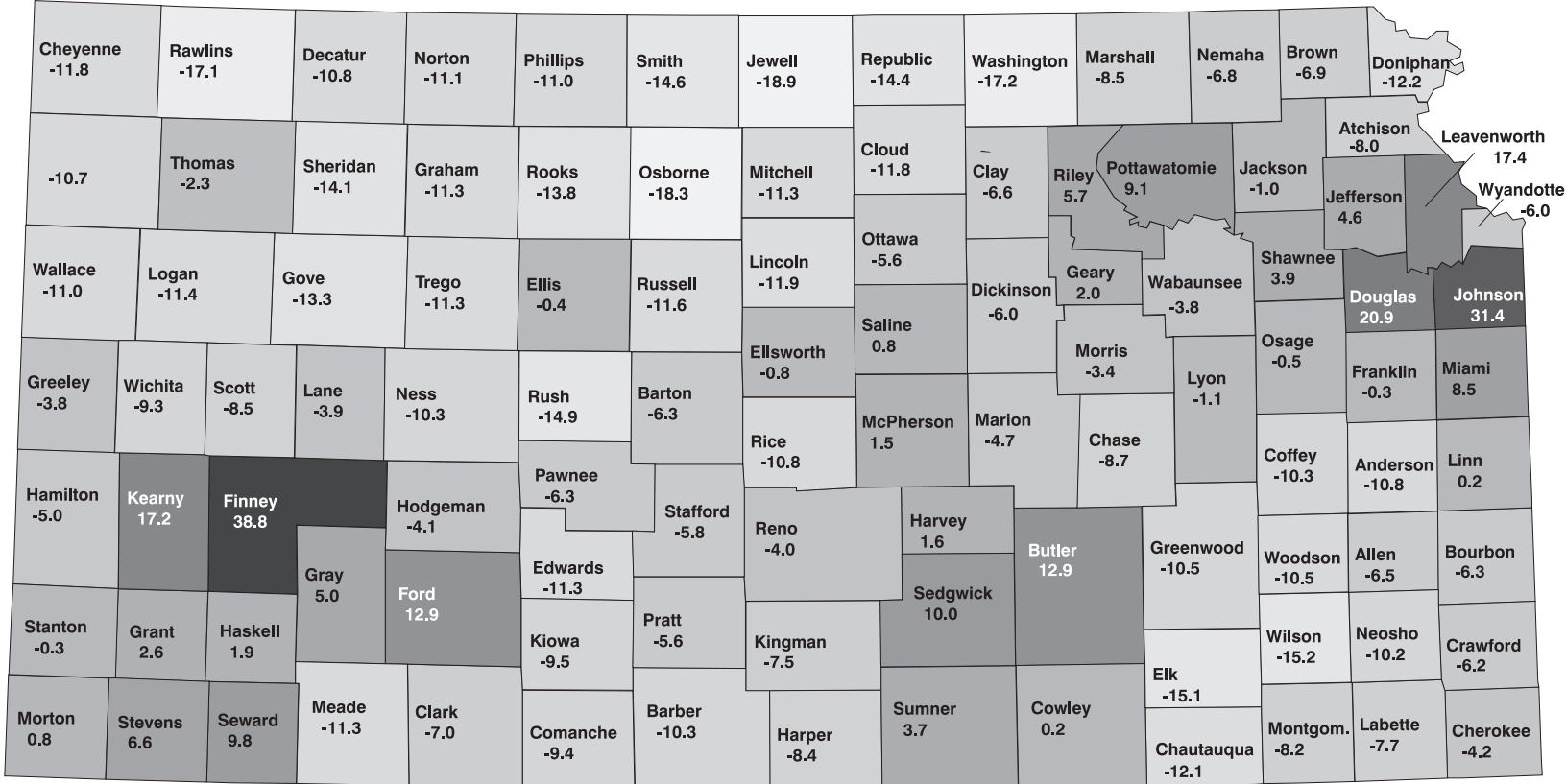
Table 6
Population of Top Ranking Kansas Counties
(Thousands)

Rk	1940	Pop.	Rk	1980	Pop.	Rk	1990	Pop.	Rk	2000	Pop.
1	Wyandotte	145	1	Sedgwick	367	1	Sedgwick	404	1	Sedgwick	453
2	Sedgwick	143	2	Johnson	270	2	Johnson	355	2	Johnson	451
3	Shawnee	91	3	Wyandotte	172	3	Wyandotte	162	3	Shawnee	170
4	Reno	52	4	Shawnee	155	4	Shawnee	161	4	Wyandotte	158
5	Montgomery	49	5	Douglas	68	5	Douglas	82	5	Douglas	100
6	Crawford	45	6	Reno	65	6	Riley	67	6	Leavenworth	69
7	Leavenworth	41	7	Riley	64	7	Leavenworth	64	7	Reno	65
8	Cowley	38	8	Leavenworth	55	8	Reno	62	8	Riley	63
9	Johnson	33	9	Saline	49	9	Butler	51	9	Butler	59
10	Butler	32	10	Butler	45	10	Saline	49	10	Saline	54
11	Labette	30	11	Montgomery	42	11	Montgomery	39	11	Finney	41
12	Cherokee	30	12	Crawford	38	12	Cowley	37	12	Crawford	38
13	Saline	30	13	Cowley	37	13	Crawford	36	13	Cowley	36
14	Lyon	26	14	Lyon	35	14	Lyon	35	14	Montgomery	36
15	Sumner	26	15	Barton	31	15	Finney	33	15	Lyon	36
16	Douglas	25	16	Harvey	31	16	Harvey	31	16	Harvey	33
17	Barton	25	17	Geary	30	17	Geary	30	17	Ford	32
18	McPherson	24	18	McPherson	27	18	Barton	29	18	McPherson	30
19	Dickinson	23	19	Ellis	26	19	Ford	27	19	Miami	28
20	Atchison	22	20	Labette	26	20	McPherson	27	20	Barton	28

* Population Projection

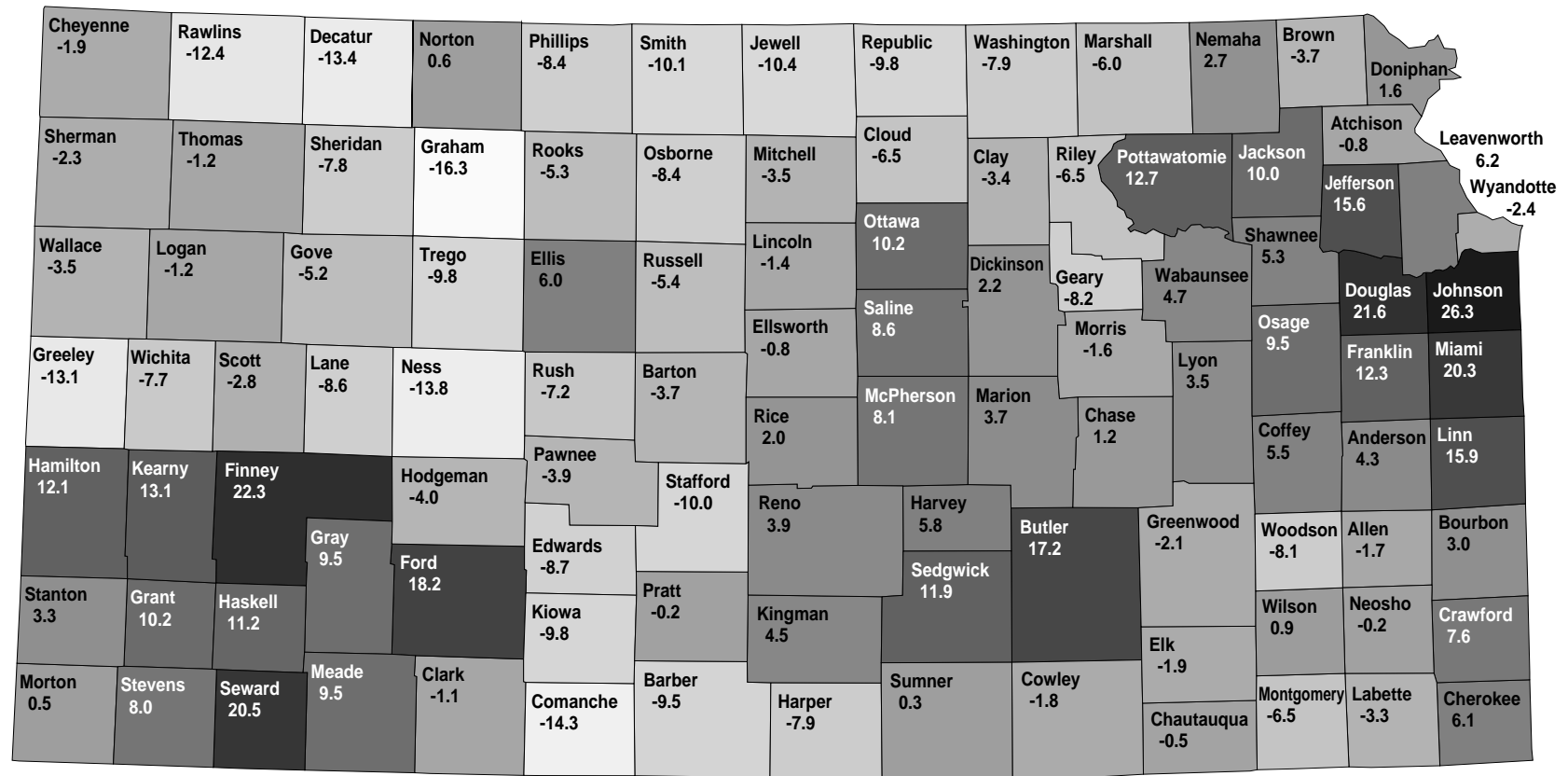
Source: University of Kansas, Policy Research Institute, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing." Floerchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the Budget, September, 1992. Calculations: PRI.

Map 1 Percent Population Change: 1980 - 1990



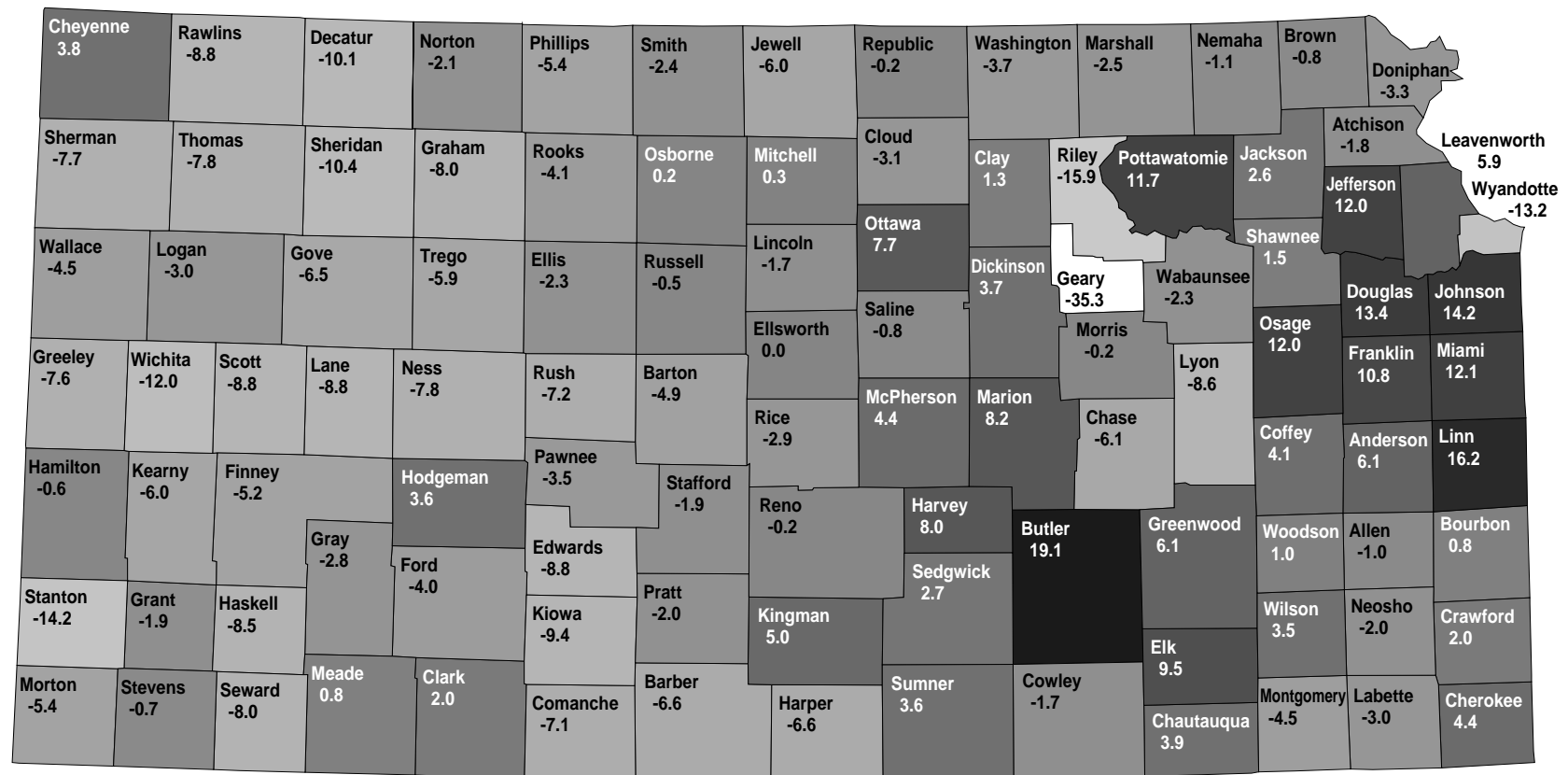
Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

Map 2 Percent Population Change: 1990-2000



Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

Map 3 Percent Net Migration: 1990 - 1999



Source: Policy Research Institute, The University of Kansas: data from the U.S. Bureau of the Census.

EMPLOYMENT

Economic vitality of every community is reflected in the employment situation. This section compares the key employment measurements such as labor force size, job creation rate, and unemployment in the Douglas County area with its comparative counties and the state of Kansas.

The number of people who are either working or willing to work determines the size of the labor force. This number is influenced not only by the size of population but also by the perceptions of individuals that suitable job opportunities exist within the community. Diverse healthy economies tend to offer the widest variety of job opportunities and thereby attract a large number of job seekers, which increases the size of the labor force.

The unemployment level reflects the amount of economic activity within an area and how well the local market is able to match the supply and demand for labor.

Job creation rates (net change in average annual employment) reflect the growth in employment levels and the range of employment opportunities. As some jobs are lost in a community due to changing economic circumstances, they may be replaced by new jobs. Net job creation reflects the net gain or net loss in jobs over a given period of time.

Place of work data compared to the place of residence data provide the insight of the employment opportunities within the area.

The following data include tables, maps, and graphs on employment growth rates, number of firms by number of employees, percentage distribution of firms by number of employees, employment levels by industry, labor force participation, unemployment rates, and job growth.

Employment: Key Findings

- Between 1990 and 2000 the average annual employment in Douglas County (U.S. Bureau of Economic Analysis data by place of work) increased from 42,569 employees to 52,735 in 2000. This was nearly a 24 percent increase. (Table 7)
- Compared to the surrounding counties, Douglas' employment growth was much better than that seen in Shawnee or Wyandotte. However, Johnson County's employment growth rate was quite similar, at 11.3 percent for the first half of the decade and 16 percent for the second. Douglas County's employment growth was also much higher than that experienced statewide (11.5 percent). (Table 7, Figures 3a and 3b)

- For the comparative counties data is only available up to 1999, so growth rates there are not strictly comparable with those in Douglas County. Nevertheless, it appears that Douglas County's employment levels have increased slightly less than those in Missouri, Iowa and Colorado, but have far surpassed employment in Champaign, Illinois. (Table 7 and Figure 3)
- The total number of firms located in Douglas County increased an impressive 38 percent between 1989 and 1999, compared to a 13.4 percent increase for the state of Kansas over the same time period. (Table 8)
- The patterns of distribution of firms by the number of employees are nearly identical in Douglas County and the state as a whole. The vast majority of firms (86 percent) in Douglas County are small companies with less than 20 employees. Between 1989 and 1999 their number rose from 1,641 to 2,239, a 36 percent increase. The percentage of medium-sized companies (up to one hundred employees) increased 43 percent in the same time period, while the number of companies with up to 500 employees doubled. (Tables 8 and 8a).
- Total industry-level employment for Douglas County rose 21.3 percent from 1994 to 1999, which was a total increase of 10,698 jobs in five years. This is compared to a 13.5 percent growth rate for the state of Kansas during the same period. (Table 9)
- Employment in the Services and Government sectors, the two largest, accounted for over 6,000 of the afore-mentioned jobs. The third largest employment sector, Retail Trade, saw a 23 percent increase in employment over the same five years (a total of 2,284 jobs). (Table 9 and 9a, Figure 4)
- Percentage-wise, the sector with the largest employment increase from 1994 to 1999 was the Agricultural Services sector, which grew nearly 40 percent. Construction was next with a 36 percent increase. The Construction sector is closely linked to population growth in the county, as houses and apartments need to be built for the incoming residents. Therefore, it comes as no surprise that employment in Construction has risen so swiftly. (Table 9 and Figure 4)
- The only two sectors in Douglas County to have seen employment declines recently were the Wholesale Trade and Mining sectors. (Table 9 and Figure 4)
- Place of residence data for Douglas County is not quite so rosy, actually indicating a 2.7 percent decrease in employment between 1999 and 2000. These figures are from the Kansas Department of Human Resources, and as the name suggests, are based on the place of residence of individuals rather than their place of work. At the same time the civilian labor force fell by a smaller 1.9 percent, leading to an increase in the unemployment rate from 3.2 to 4 percent. (Table 9b)
- Comparing place of residence data and place of work data can indicate commuting trends. Table 9b shows that the number of jobs (place of work data) in Douglas

County in 2000 was 6,570 less than the number of people employed in Douglas County (place of residence data). This could indicate that up to 6,570 people, or 12.5 percent of the number of employed people in Douglas County, commuted to a job outside of the county in 2000. (Table 9b)

- In the state of Kansas total employment (place of residence data) fell by 2.3 percent between 1999 and 2000. A smaller decrease in the civilian labor force resulted in a 21 percent increase in the number of unemployed statewide. (Table 9b)
- The labor force participation rate is the percentage of population aged 16 and over that is in the labor force. The labor force participation rate in 1990 for Douglas County was 65.3 percent (Map 4). This rate was quite decent compared to other counties in Kansas, was nearly equal to the Kansas' rate of 65.4 percent, and was slightly higher than the U.S. rate of 64.4 percent (1990 U.S. Census).

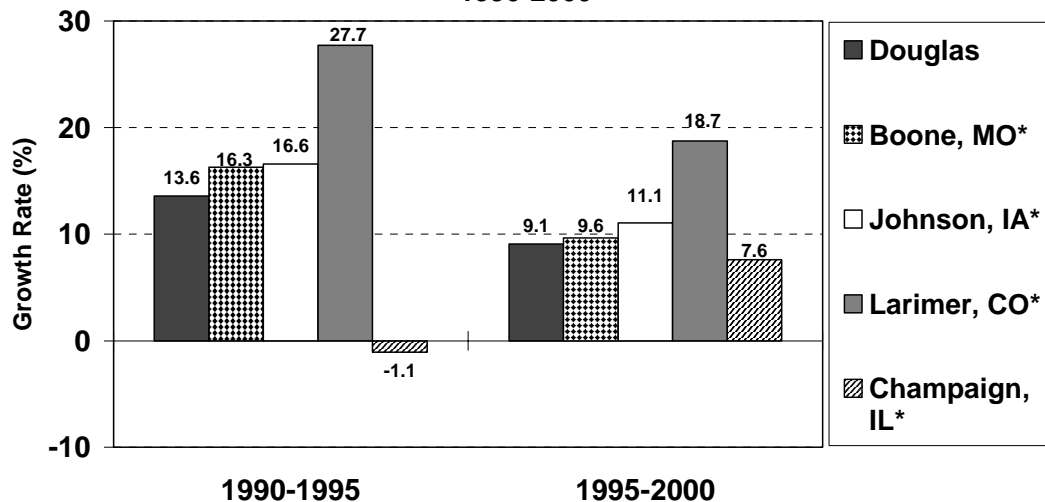
Table 7
Employment Growth Rates
Douglas County, Selected Counties, and Kansas
Place of Residence Data
1990-2000

	Average Annual Employment			% Employment Growth	
	1990	1995	2000	1990-1995	1995-2000
Douglas	42,569	48,349	52,735	13.6 %	9.1 %
Johnson	204,872	228,056	264,242	11.3	15.9
Shawnee	82,782	85,041	86,636	2.7	1.9
Wyandotte	72,920	69,000	71,435	-5.4	3.5
Boone, MO	77,294	89,877	98,534 *	16.3	9.6
Johnson, IA	65,926	76,849	85,348 *	16.6	11.1
Larimer, CO	106,096	135,474	160,863 *	27.7	18.7
Champaign, IL	113,390	112,179	120,714 *	-1.1	7.6
Kansas	1,219,000	1,278,500	1,359,000	4.9	6.3

* Figures are for 1999 as compared to 2000 for Kansas counties.

Source: U.S Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (1990-2000), Table CA25, Kansas Department of Human Resources.

Figure 3
Employment Growth Rates
Douglas and Comparative Counties
1990-2000



* Figures are for 1990-1999 as compared to 1990-2000 for Douglas.

Figure 3a
Employment Growth Rates
Douglas and Surrounding Counties
1990-2000

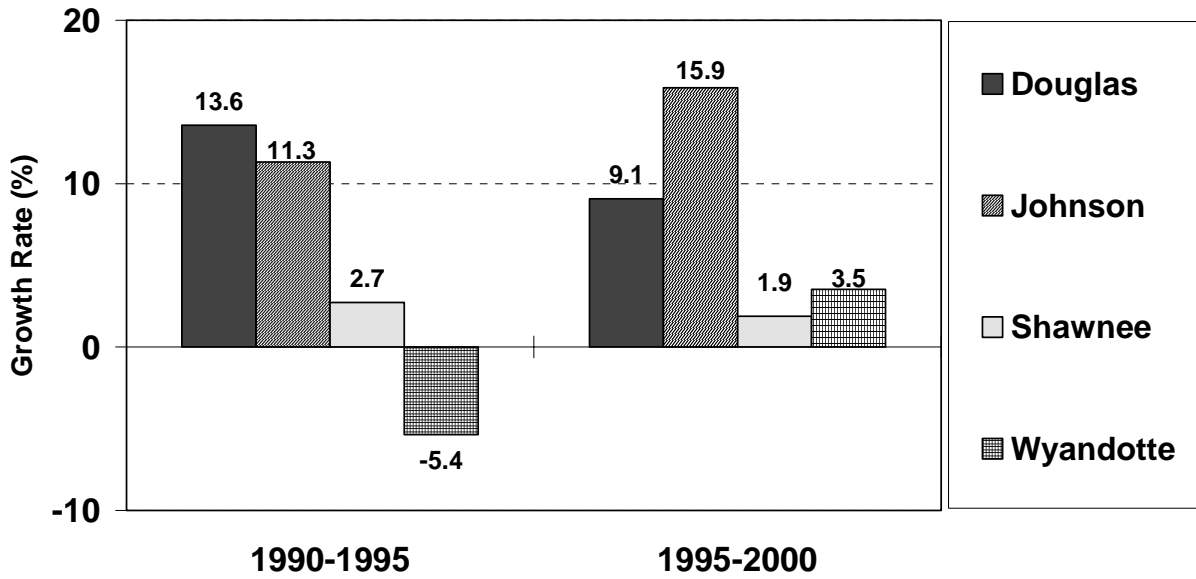


Figure 3b
Employment Growth Rates
Douglas County and Kansas
1990-2000

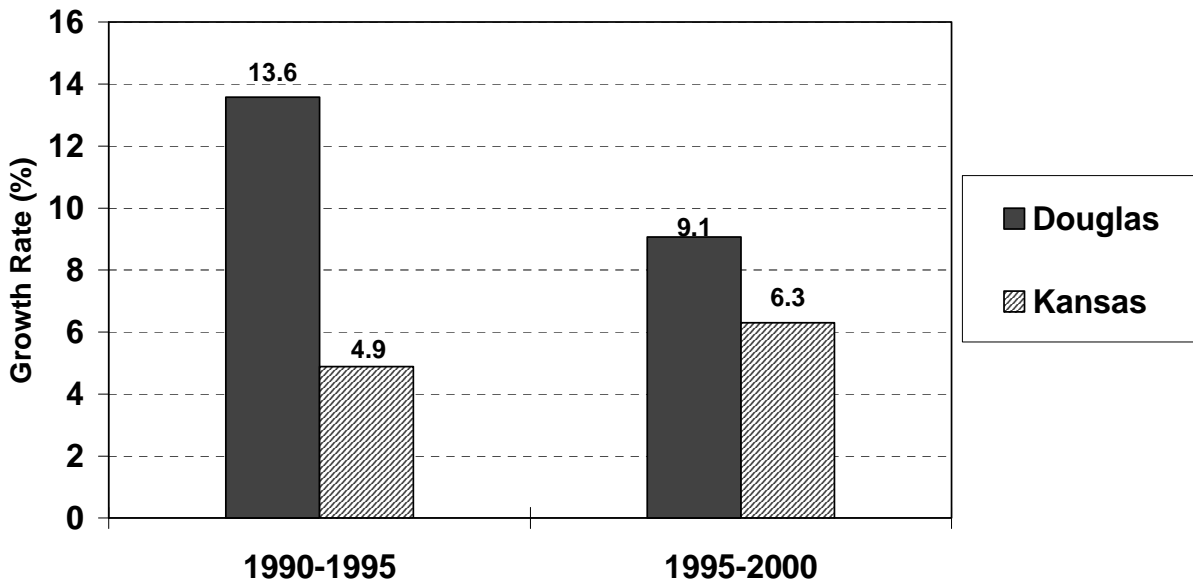


Table 8
Number of Firms, by Number of Employees
Douglas County and Kansas
1989-1999

<u>Employees</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1989</u>	<u>1999</u>	<u>% Change</u>	<u>1989</u>	<u>1999</u>	<u>% Change</u>
1 -- 19	1,641	2,239	36.4 %	57,845	64,239	11.1 %
20 -- 99	203	290	42.9	6,713	8,564	27.6
100 -- 499	30	60	100.0	1,027	1,536	49.6
500+	4	5	25.0	107	147	37.4
Total	1,878	2,594	38.1	65,692	74,486	13.4

Source: U.S. Bureau of the Census, "County Business Patterns," 1989 and 1999.

Table 8a
Percentage Distribution of Firms, by Number of Employees
Douglas County and Kansas
1989-1999

<u>Employees</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>1989</u>	<u>1999</u>	<u>1989</u>	<u>1999</u>
0 - 19	87.4 %	86.3 %	88.1 %	86.2 %
20 - 99	10.8	11.2	10.2	11.5
100 - 499	1.6	2.3	1.6	2.1
500+	0.2	0.2	0.2	0.2

Source: U.S. Bureau of the Census, "County Business Patterns," 1989 and 1999. Due to numbers being rounded up, percentages may not equal 100%.

Table 9
Employment Levels by Industry
Douglas County and Kansas
Place of Work Data
1994-1999

<u>Industry</u>	<u>Douglas</u>				<u>Kansas</u>			
	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>% Change</u>	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>% Change</u>
Ag. Services	407	562	155	38.1 %	17,528	20,725	3,197	18.2 %
Mining	177	125	-52	-29.4	25,117	18,445	-6,672	-26.6
Construction	2,509	3,413	904	36.0	74,387	92,856	18,469	24.8
Manufacturing	5,178	5,613	435	8.4	194,141	218,466	24,325	12.5
Transportation	1,313	1,534	221	16.8	77,355	90,368	13,013	16.8
Wholesale Trade	1,625	1,360	-265	-16.3	74,707	82,275	7,568	10.1
Retail Trade	9,882	12,166	2,284	23.1	262,779	294,991	32,212	12.3
Finance, Insur., Real Est.	2,505	3,405	900	35.9	89,031	113,935	24,904	28.0
Services	13,066	16,009	2,943	22.5	397,522	476,032	78,510	19.7
Gov't. and Gov't. Services	12,667	15,821	3,154	24.9	273,272	273,185	-87	0.0
Subtotal -- Non-Farm	49,329	60,008	10,679	21.6	1,485,839	1,681,278	195,439	13.2
Farm Employment	927	946	19	2.0	78,375	81,015	2,640	3.4
Total Employment	50,256	60,954	10,698	21.3	1,564,214	1,762,293	198,079	12.7

S: data suppressed. See text for more.

Source: Bureau of Economic Analysis, Regional Economic Information System (REIS).

Figure 4
Percent Change in Employment by Industry
1994-1999

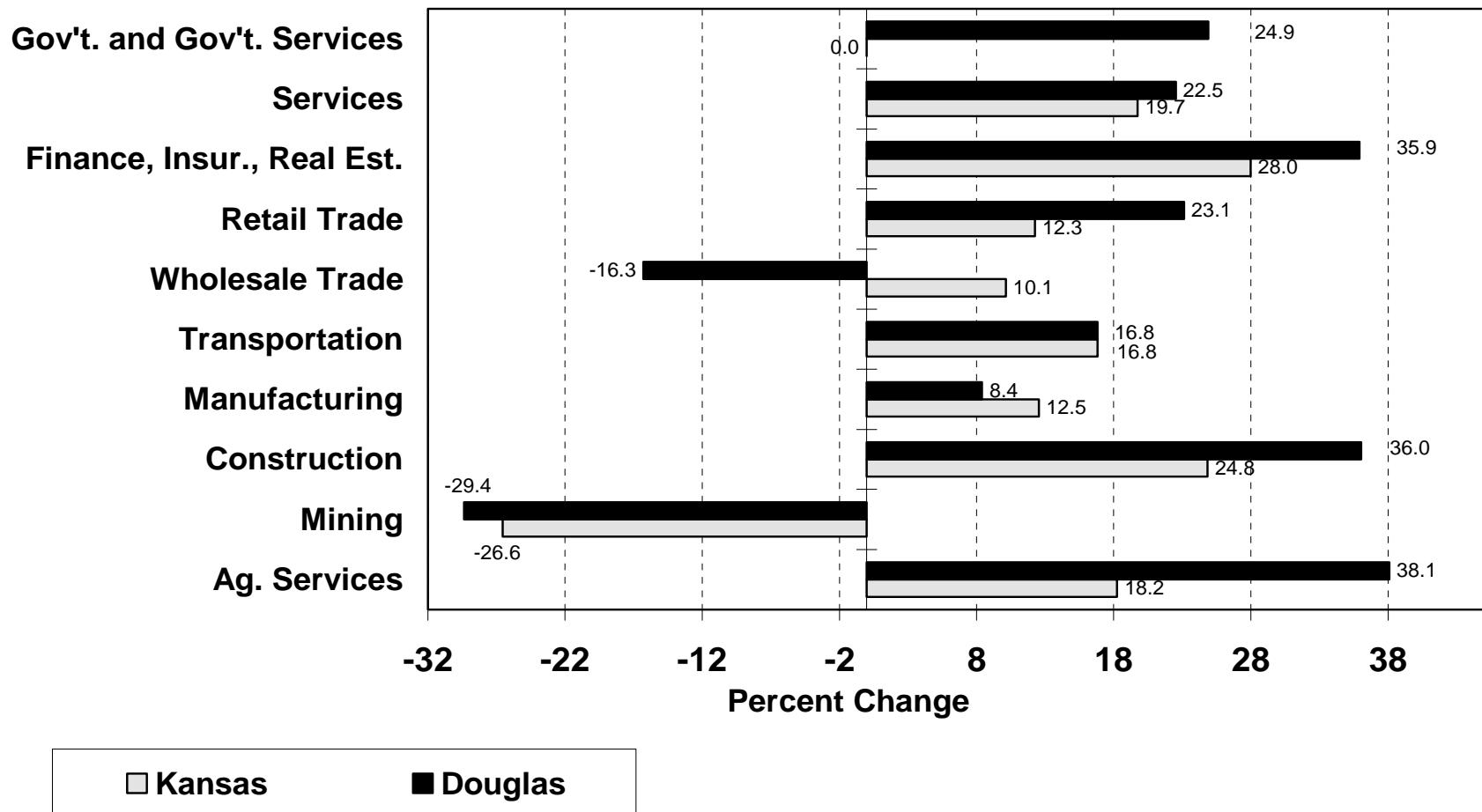


Table 9a
Employment Percent Share by Industry
Douglas County and Kansas
Place of Work Data
1994-1999

<u>Industry</u>	<u>Douglas</u>			<u>Kansas</u>		
	<u>1994</u>	<u>1999</u>	<u>Change</u>	<u>1994</u>	<u>1999</u>	<u>Change</u>
Ag. Services	0.8	0.9	0.1 %	1.1	1.2	0.1 %
Mining	0.4	0.2	-0.1	1.6	1.0	-0.6
Construction	5.0	5.6	0.6	4.8	5.3	0.5
Manufacturing	10.3	9.2	-1.1	12.4	12.4	0.0
Transportation	2.6	2.5	-0.1	4.9	5.1	0.2
Wholesale Trade	3.2	2.2	-1.0	4.8	4.7	-0.1
Retail Trade	19.7	20.0	0.3	16.8	16.7	-0.1
Finance, Insur., Real Est.	5.0	5.6	0.6	5.7	6.5	0.8
Services	26.0	26.3	0.3	25.4	27.0	1.6
Gov't. and Gov't. Services	25.2	26.0	0.8	17.5	15.5	-2.0
Subtotal -- Non-Farm	98.2	98.4	0.3	95.0	95.4	0.4
Farm Employment	1.8	1.6	-0.3	5.0	4.6	-0.4

S: data suppressed. See text for more.

Source: Bureau of Economic Analysis, Regional Economic Information System (REIS).

**Table 9b
Labor Market Summary
1999-2000**

	Douglas County			Kansas
	1999 Average	2000 Average	% Change 1999-00	% Change 1999-00
<u>Place of Residence Data</u>				
Civilian labor force	55,973	54,925	-1.9	-1.6
Employment	54,180	52,735	-2.7	-2.3
Unemployment	1,793	2,190	22.1	20.9
Unemployment rate	3.2	4.0	25.0	23.3
<u>Place of Work Data</u>				
<u>Wage and Salary Employment</u>				
All industries	45,145	46,165	2.3	1.1
Goods producing industries	8,241	8,484	2.9	0.4
Construction and mining	2,471	2,544	3.0	2.0
Manufacturing	5,405	5,563	2.9	-0.5
Service producing industries	36,899	37,676	2.1	1.3
Transportation & Public utilities	1,316	1,411	7.2	9.7
Wholesale & Retail Trade	12,043	12,057	0.1	-0.4
Finance, Insurance, & Real estate	2,043	1,908	-6.6	1.3
Services	11,027	11,589	5.1	1.1
Government	10,470	10,711	2.3	1.3

Source: Kansas Department of Human Resources, Labor Market Information Services. Developed in cooperation with the U.S. Bureau of Labor Statistics.

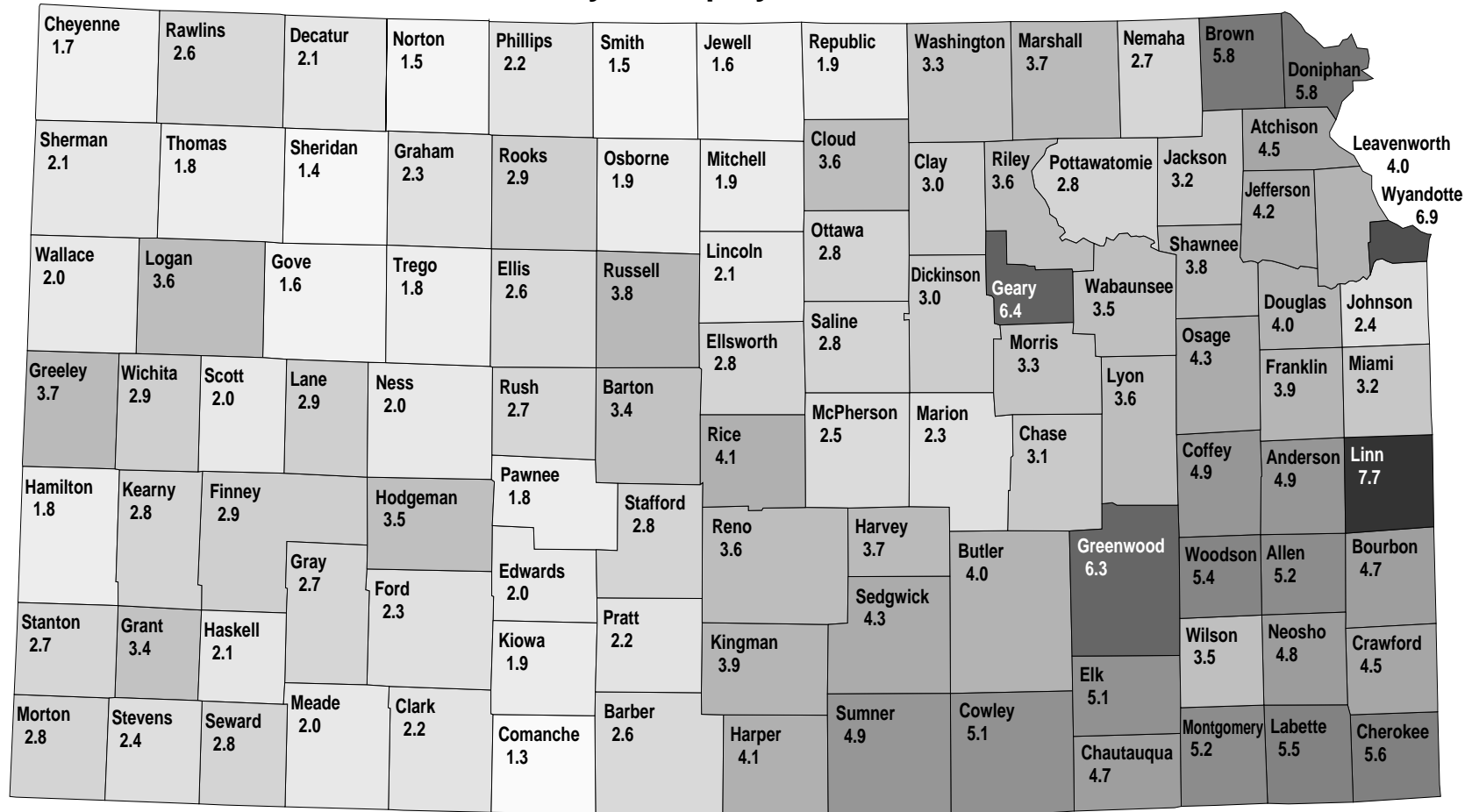
Map 4 Labor Force Participation: 1990



Source: 1990 U.S. Bureau of the Census.

Kansas: 65.4%

**Map 5
County Unemployment Rates: 2000**



Note: Employment data are based on an individual's place of residence.
 Source: Policy Research Institute, The University of Kansas, "Kansas Statistical Abstract, 2000" using data from Kansas Labor Force Estimates Annual Average, 2000. Kansas Department of Human Resources, Labor Market Information Services, developed in cooperation with U.S. Bureau of Labor Statistics.

Earnings and Income

The economic base of the community is determined by the income of the community's residents. Higher average wages may indicate a greater number of jobs in high growth, high performance businesses. Low wage growth may indicate a higher concentration of stable or declining industries.

This report looks at two major components of earnings and income: average wage per job and per capita personal income. Average wage per job reflects the productivity of local labor and the performance of local businesses. Per capita personal income indicates the relative wealth of the area compared to the state. As the productivity of business and industry increases, per capita personal income also rises.

Earnings and Income: Key Findings

- In 2000 the average wage per job in Douglas County was \$22,876. That was \$5,809 less than the average wage for the state of Kansas and \$11,776 less than the national average. (Table 10, Figure 5b)
- Douglas' average wage per job was fairly low compared to the surrounding counties of Johnson, Shawnee and Wyandotte. Shawnee's average wage per job in 2000 was \$6,460 more than Douglas County's; Johnson's was \$13,847 greater. One explanation for why Douglas County's average wage is so low is because of the large number of students in Lawrence, many of whom hold low paying jobs. (Table 10, Figure 5a)
- Compared to other college towns in the Midwest, Douglas County again has a low average wage. This may be due to higher cost of living effects (such as in Colorado) or because of a smaller ratio of student workers to other residents (Champaign, for example.) (Table 10, Figure 5)
- Per capita personal income in Douglas County in 1999 grew slower than the state's rate, and at \$21,658 was again behind the state's average of \$26,705 per year. Historical data shows that in addition to always having a per capita income level lower than the state's, the gap seems to have increased over time since 1980's. (Table 11, Figure 5c)
- In 1999 per capita personal income for Douglas County was slightly higher than that in Wyandotte County, but much lower than the level in both Johnson and Shawnee counties. (Map 6)

Table 10
Average Wage Per Job
Douglas County, Selected Counties, Kansas and U.S.
1990-2000

	<u>Average Wage per Job (Dollars)</u>			<u>% Growth</u>	
	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>90-95</u>	<u>95-00</u>
Douglas	16,625	19,034	22,876	14.5	20.2
Johnson	22,812	27,510	36,723	20.6	33.5
Shawnee	21,203	24,671	29,336	16.4	18.9
Wyandotte	23,982	28,443	34,388	18.6	20.9
Boone, MO	18,218	21,494	25,628	18.0	19.2
Johnson, IA	19,656	22,880	27,893	16.4	21.9
Larimer, CO	20,513	24,111	31,282	17.5	29.7
Champaign, IL	19,256	22,684	27,405	17.8	20.8
Kansas	19,790	23,216	28,685	17.3	23.6
United States	23,322	27,400	34,652	17.5	26.5

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-2000), Regional Economic Profile, Table CA34.

Figure 5
Average Wage per Job
Douglas and Comparative Counties
1990-2000

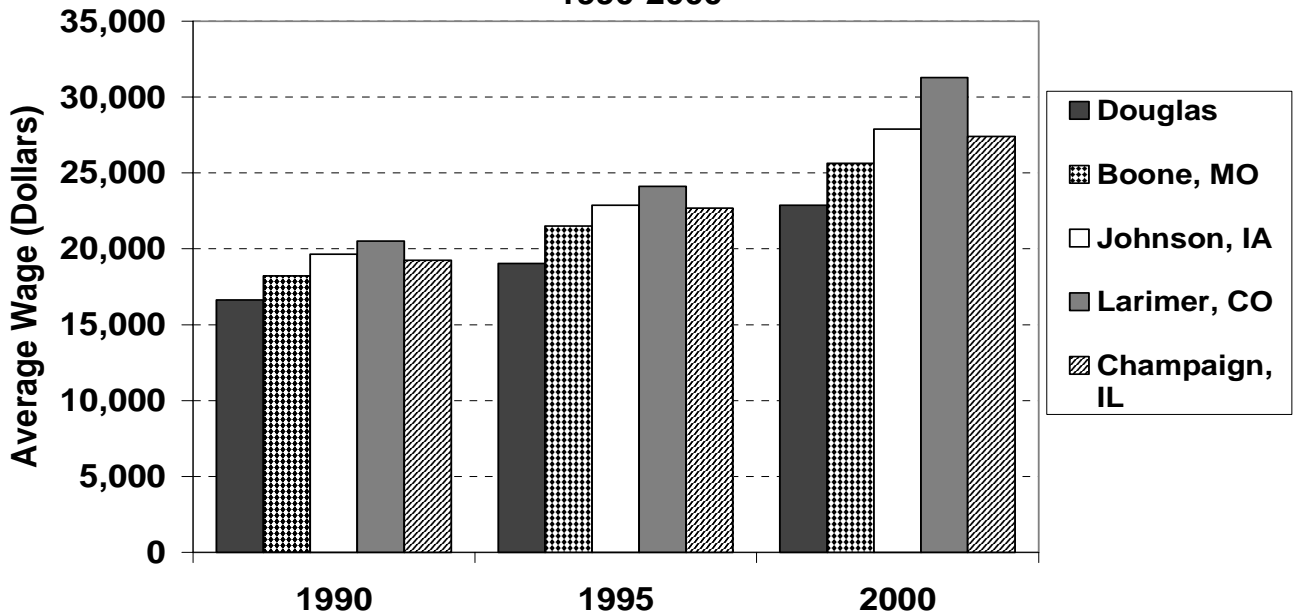


Figure 5a
Average Wage per Job
Douglas and Surrounding Counties
1990-2000

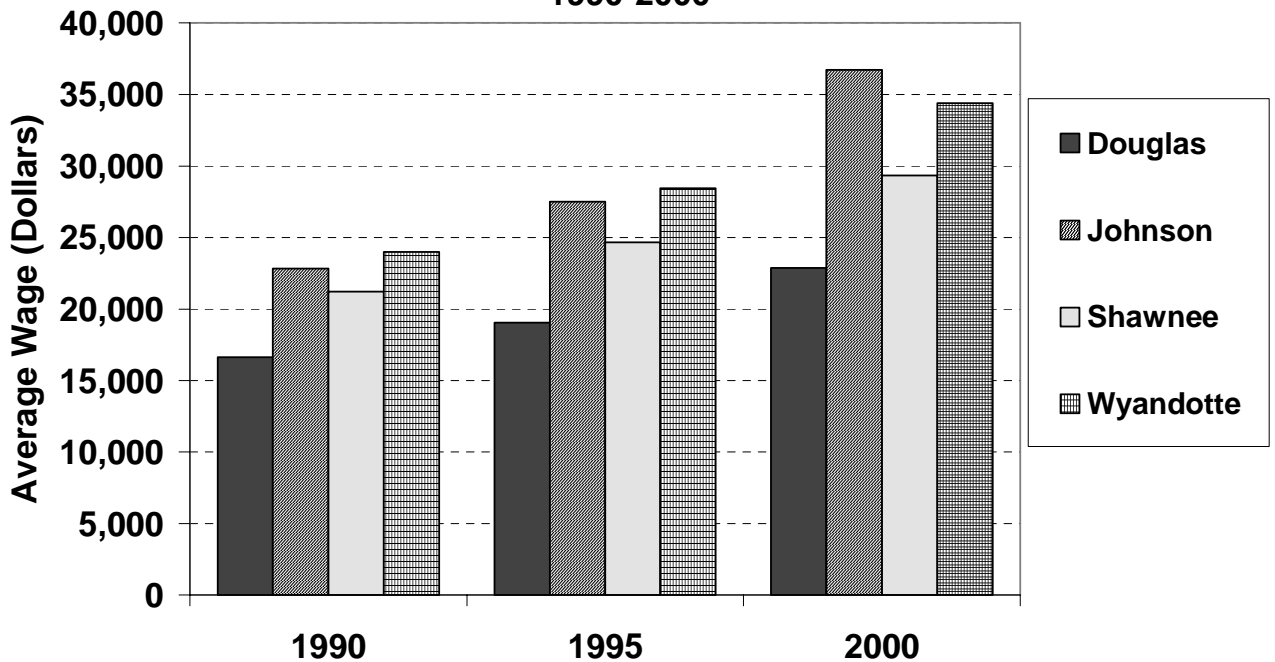


Figure 5b
Average Wage Per Job
Douglas County, Kansas and United States
1990-2000

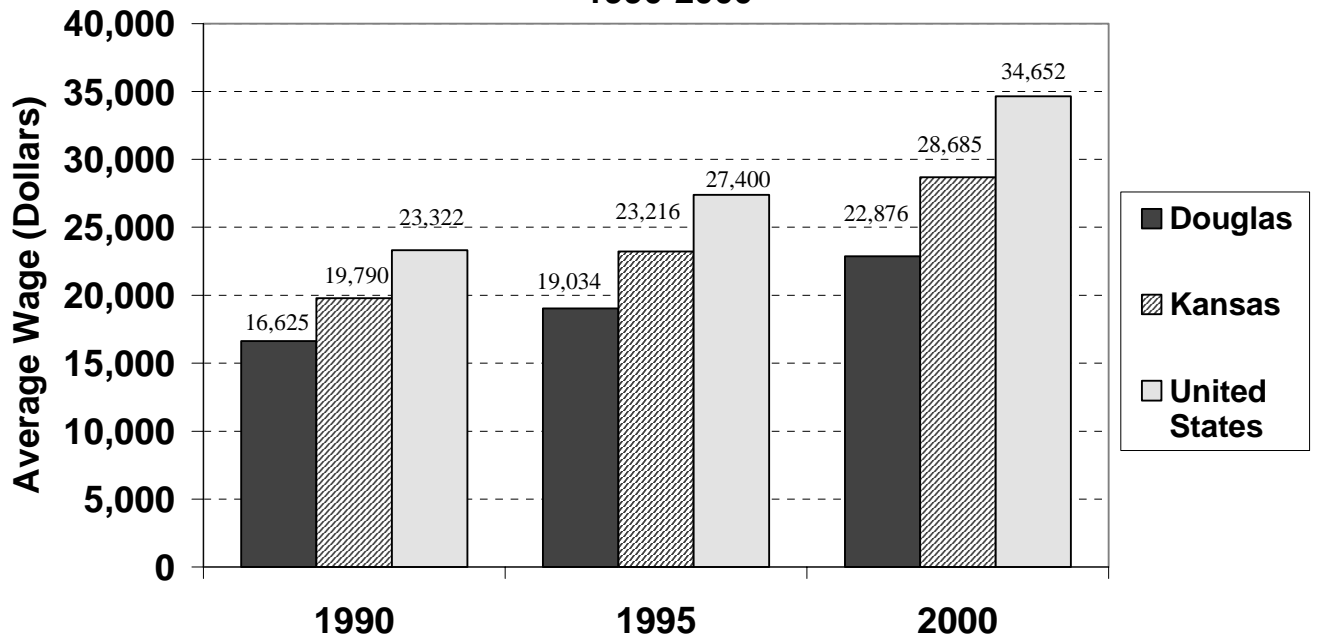
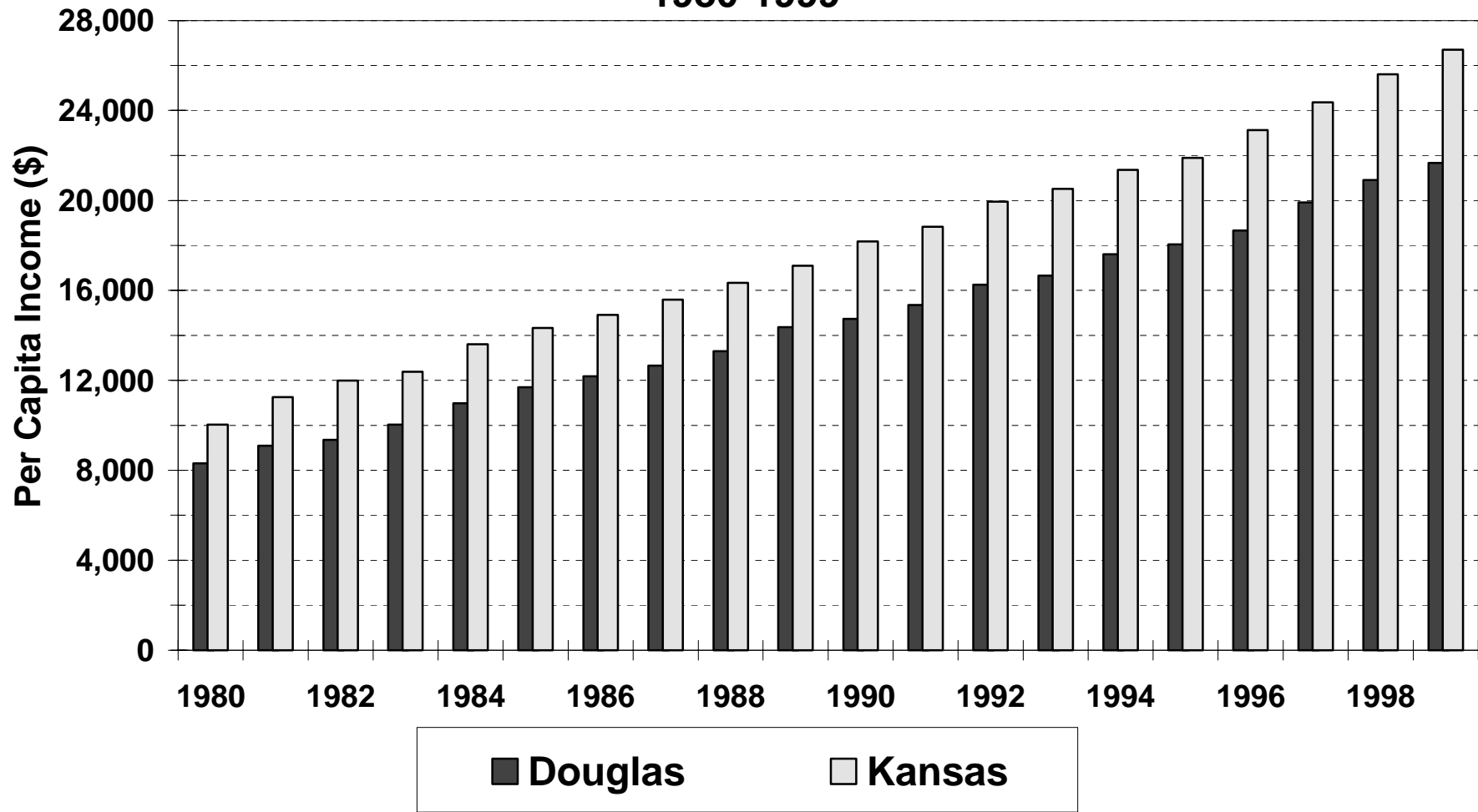


Table 11
Per Capita Personal Income
Douglas County and Kansas
1980-1999

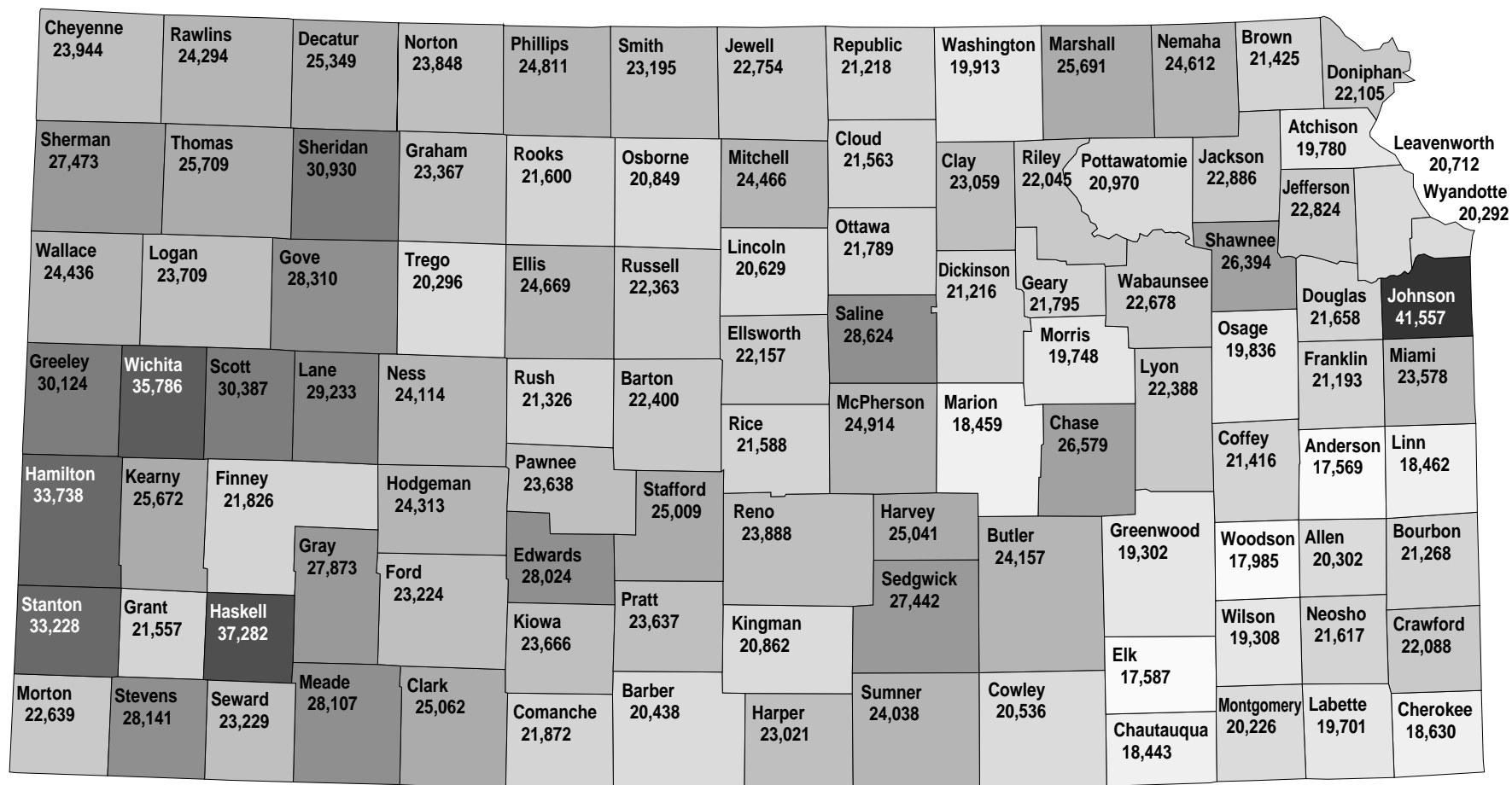
	Income (\$)		Growth Rates	
	Douglas	Kansas	Douglas	Kansas
1980	8,305	10,038		
1981	9,095	11,248	9.5 %	12.1 %
1982	9,361	11,989	2.9	6.6
1983	10,032	12,373	7.2	3.2
1984	10,983	13,602	0.0	9.9
1985	11,693	14,330	6.5	5.4
1986	12,170	14,904	4.1	4.0
1987	12,645	15,583	3.9	4.6
1988	13,289	16,331	5.1	4.8
1989	14,357	17,093	8.0	4.7
1990	14,737	18,182	2.6	6.4
1991	15,354	18,832	4.2	3.6
1992	16,254	19,955	5.9	6.0
1993	16,656	20,510	2.5	2.8
1994	17,611	21,352	5.7	4.1
1995	18,050	21,889	2.5	2.5
1996	18,671	23,121	3.4	5.6
1997	19,921	24,358	6.7	5.4
1998	20,896	25,606	4.9	5.1
1999	21,658	26,705	3.6	4.3

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1999), County Summary, Table CA13.

Figure 5c
Per Capita Personal Income
Douglas County and Kansas
1980-1999



Map 6 Per Capita Personal Income: 1999



Source: Policy Research Institute, The University of Kansas, using data from the U.S. Bureau of Economic Analysis, Regional Economic Information System, Table CA5, May 2000.

RETAIL

Retail trade is an important part of a community's business environment as well as source of revenues for the local governments. Retail trade is affected by a number of factors; for example, past decisions by investors, business managers, taxpayers, and policy makers contribute to a business climate which either promotes or inhibits the productivity of local businesses and therefore affects decisions about growth and expansion. Other contributing factors include the level of competition, the availability of suppliers and supporting industries, the cost of labor, and taxation and regulation within the community. Some types of establishments will thrive in an environment in which other firms cannot operate profitably.

The following section contains a table and a figure, outlining the retail sales growth rates.

Retail: Key Findings

- Taxable retail sales in Douglas County broke the one billion dollar mark in 2000, reaching a record \$1,042,900,000. Retail sales growth rates were fairly consistent throughout the last decade, save for 1999 to 2000, in which the amount of nominal taxable retail sales leaped ahead nearly 27 percent. For the decade as a whole, Douglas County has experienced a 99 percent increase in retail sales while the entire state saw a 61 percent growth. (Table 12, Figure 6)
- Douglas County's trade pull factor in 2000 was 0.93. A trade pull factor of less than one means the county lost more retail activity to other counties than it was able to 'pull in'. Of the surrounding counties, only Wyandotte had a trade pull factor also below 1. A good deal of Douglas County residents (as well as those in Wyandotte) travel to Overland Park or areas of Kansas City to shop, while relatively fewer people would travel to Douglas County for shopping opportunities. (Map 7)

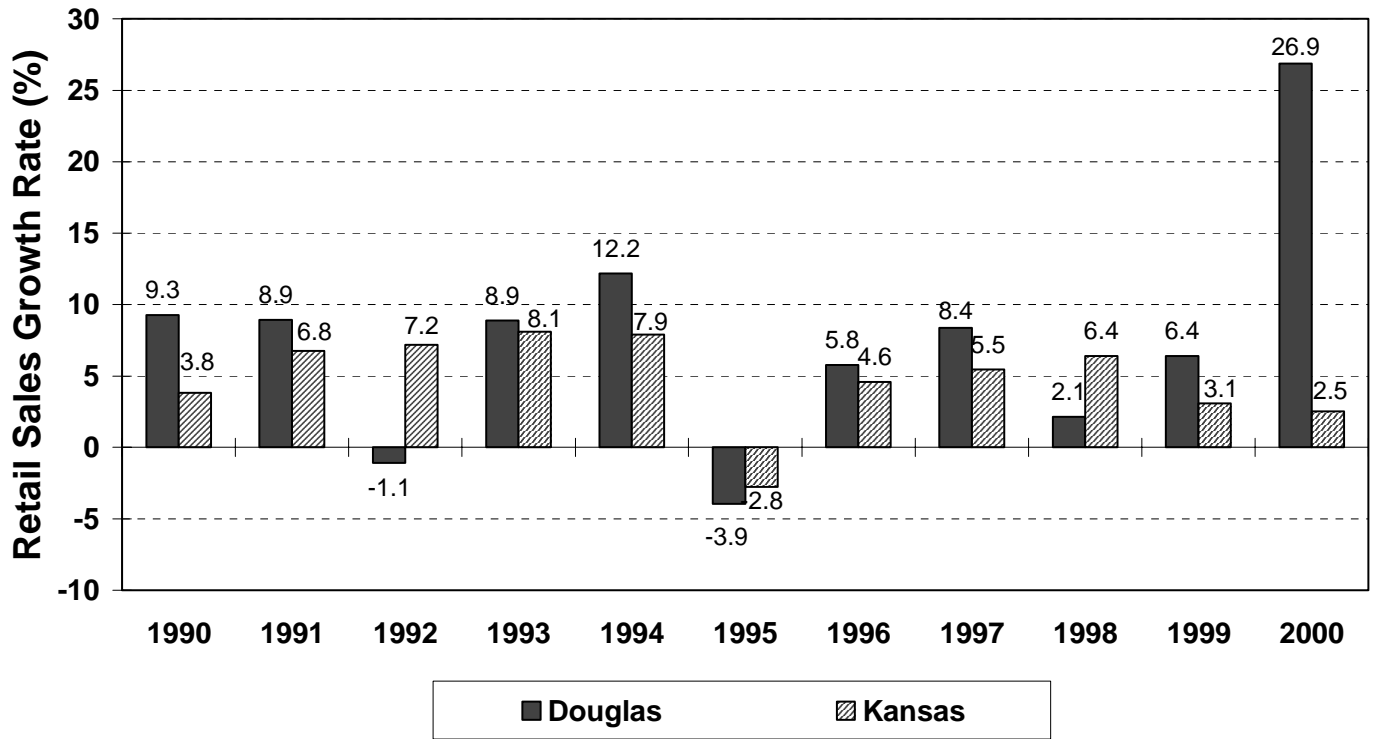
Table 12
Taxable Retail Sales and Growth Rates
Douglas County and Kansas
1990-2000

<u>Year</u>	<u>Douglas</u>		<u>Kansas</u>	
	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>	<u>Nominal Sales (\$Millions)</u>	<u>Growth Rate (%)</u>
1989	477.8		18,034.4	
1990	522.1	9.3 %	18,723.3	3.8 %
1991	568.7	8.9	19,988.0	6.8
1992	562.5	-1.1	21,421.3	7.2
1993	612.5	8.9	23,154.4	8.1
1994	687.0	12.2	24,979.0	7.9
1995	659.9	-3.9	24,289.1	-2.8
1996	698.0	5.8	25,401.5	4.6
1997	756.5	8.4	26,788.9	5.5
1998	772.7	2.1	28,505.9	6.4
1999	822.0	6.4	29,380.6	3.1
2000	1,042.9	26.9	30,119.0	2.5

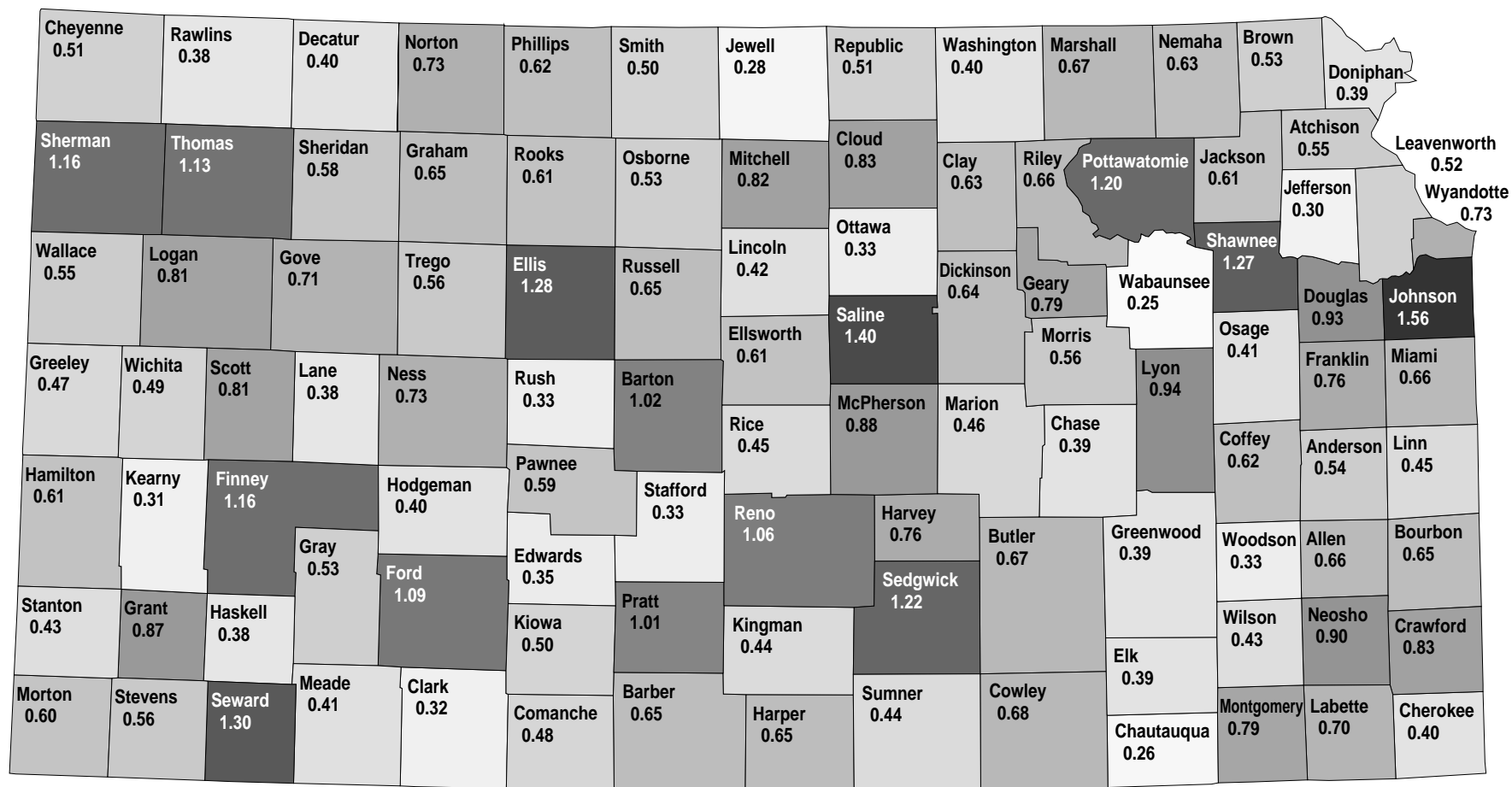
Note: Data from 1994 to 1999 are not comparable to 1987-1993 data.

Source: Kansas Department of Revenue, State Sales Tax Collections by County Classification. Calculations, 1987-1993, CEDBR, W. Frank Barton School of Business, Wichita State University; 1994-1999, PRI, University of Kansas.

Figure 6
Taxable Retail Sales Growth Rates
Douglas County and Kansas
1990-2000



Map 7 County Trade Pull Factors: 2000



Note: County Trade Pull Factor (CTPF) = County per capita sales tax collections divided by Kansas per capita sales tax collections. Population data used to compute per capita sales includes institutionalized population.

Source: "County Trade Pull Factors Annual Report for Fiscal Years 1999 and 2000," by David Darling and Sharon Combes, K-State Research and Extension, Department of Agricultural Economics.

EDUCATION

The educational level of residents is likely to influence the well being of the whole community. Communities able to provide a higher skilled workforce are more likely to benefit from new developing industries. Residents who have a good educational background will be more employable and able to command higher salaries. Employers will benefit as well because they will most likely experience lower turnover and training costs. On the other hand, individuals with lower education levels have a harder time finding jobs that can supply a living wage and may be more likely to use social services.

Education: Key Findings

- Given the presence of three universities in Douglas County, it is not surprising the percentage of residents over the age of 25 who possess a Bachelor's degree was nearly 21.8 percent for the county in 1990, as compared to 14.2 for the state as a whole. (The 2000 Census education figures have yet to be released.) In 1990, nearly 17 percent of the over-25-population of Douglas held a Graduate's degree, a very high percentage for any community. It is clear that the Douglas County workforce is highly educated. (Table 15)
- However, there were fewer people in Douglas County who had achieved a high school diploma (25.3 percent) than compared to the state (32.9 percent.) (Table 15)
- Douglas County graduated roughly 680 high school students on average each year from 1990 to 1999. The number of high school drop-outs each of those years fluctuated from a low of 80 to a high of 174, with the average being about 140. (Table 16)
- High school drop-outs as a percent of graduates in Douglas County averaged about 21 percent a year from 1990 to 1999. The average rate for Kansas was 23.6 percent. (Table 16)

Table 15
Educational Attainment of Persons over 25
As a Percentage of the Population of Persons over 25
Douglas County and Kansas, 1990

	<u>Completed Less Than 9th Grade</u>	<u>9-12th Grade No Diploma</u>	<u>High School Diploma</u>	<u>Some College</u>	<u>Associate Degree</u>	<u>Bachelor's Degree</u>	<u>Graduate Degree</u>	<u>Pop. Over 25</u>
Douglas	1,627	3,095	10,669	8,958	1,695	9,192	7,072	42,160
Kansas	120,951	172,321	514,177	342,964	85,146	221,016	109,361	1,561,417

As a Percent of Population of Persons over 25:

Douglas	3.9%	7.3%	25.3%	21.2%	4.0%	21.8%	16.8%
Kansas	7.7%	11.0%	32.9%	22.0%	5.5%	14.2%	7.0%

Source: U.S. Bureau of the Census, 1990.

Table 16
High School Graduates and Drop-Outs
Douglas County and Kansas
1990-1999

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Douglas										
Grads	650	630	593	638	660	656	652	770	696	846
Drops	80	140	110	169	174	149	172	159	133	133
Kansas										
Grads	25,367	24,414	24,129	24,720	25,319	26,125	25,786	26,648	27,856	28,543
Drops	4,995	5,738	5,651	6,490	6,698	6,422	6,420	6,042	5,802	n/a
<i>High school drop-outs as percent of graduates</i>										
Douglas	12.3%	22.2%	18.5%	26.5%	26.4%	22.7%	26.4%	20.6%	19.1%	15.7%
Kansas	19.7%	23.5%	23.4%	26.3%	26.5%	24.6%	24.9%	22.7%	20.8%	n/a

n/a: Data not available

Grads: High school graduates, year ending:

Drops: High school dropouts, year ending:

Source: Kansas State Department of Education

CONCLUSION

Economic data is an important tool of the community economic development process because it gives community members a better view of the current facts and trends in different areas of economic and demographic performance of the community. However, numbers alone are not enough. The data must be analyzed and interpreted, taking into account the intuition of those within the community as to what the trends really mean. In other words, economic data serve as the foundation of analysis which concludes: 1) what is happening in the community relative to other regions over time, and 2) what potential impacts or consequences can be inferred from the data. A simplified look at the previous data would conclude the following:

Douglas County is an area with constantly growing population, relatively low unemployment rates and strong employment increases in most sectors. Growth rates of job creation in Douglas County are higher than both statewide and nation-wide rates. The adult population of the area is highly educated; however, the average wage per job for Douglas County is considerably below not only state and national averages but also below any comparative “university” county. This low average wage per job indicates that most of the job growth is in lower-paying jobs, which is consistent with the information that the fastest growing industry in Lawrence (in terms of absolute numbers) seems to be the Government and Services sectors, which are not traditionally high paying fields.

Given the high education level of the population and the lower average wage per job, additional effort is still needed to reduce the gap between Douglas County and similar areas in level of earnings. The original 1992 study noted many opportunities could be capitalized upon to assist in bridging the gap between education and pay, such as new state technology policies, university linkages, and the proximity to a metropolitan center to generate higher value-added employment opportunities in developing industries.

The Lawrence-Douglas County area is a desirable place to live, a fact proven by the population and employment data. The areas’ proximity to Johnson County, one of the fastest growing counties in the nation, and the presence of three institutions of higher education, are part of its desirability. The higher education institutions provide a great deal of stability while the location of the county provides opportunities for growth. How these two assets are utilized will have a lot to do with the type of community Douglas County will be in the future.